

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4522-08
Bill No.: Perfected HS for HCS for HB 1868
Subject: St. Louis: Regional Taxicab Commission
Type: Original
Date: April 30, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Total Estimated Net Effect on <u>All</u> State Funds	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **City of St. Louis Airport Authority** assume that this proposal would have a positive fiscal impact. Officials stated that currently St. Louis County controls and regulates taxicab operations at the airport. Officials assume that under this proposal they would have that authority. Officials assume that they would enter into a concession-type agreement, with one or more taxicab operators, such agreement would include an activity fee, (percent of revenue, trip fee, etc.), and a minimum annual guarantee. Officials assume an increase in revenue, however, the amount of increase is Unknown. Officials stated that the airport's current annual revenue from cab operations is approximately \$90,000.

Officials of the **City of St. Louis-Division of Budget** assume this proposal would have fiscal impact to the City. Officials stated that current income from inspections performed by the Street Division generates approximately \$52,350 annually, with estimated annual cost of administration, and inspections of \$38,335. Officials estimate an annual loss of \$14,015. Officials stated that there is 1 full-time employee, and 3 part-time employees that administer the taxicab program for the City of St. Louis. Officials assume they would lose fee monies as well as cost of operation of a taxicab regulation and inspection program. Officials assume that any unspent funds would go to the Taxicab Commission. Officials stated that the City or County could appropriate money to the new Commission, however, officials stated that decision would be left to the City's Administration.

St. Louis County did not respond to this fiscal note request, however, in response to almost identical legislation from this session, the following fiscal impact estimates were submitted:

Officials of the office of the **Director of Administration of St. Louis County** stated that the County currently sets licensing and inspection fees for taxicab administration and regulation with the goal of offsetting their costs of providing these services. Officials assume under this proposal St. Louis County would lose fee revenues, but would also lose responsibility for the corresponding regulatory costs. The net effect should be cost neutral to St. Louis County.

Oversight assumes that the Regional Taxicab Commission would receive revenues from licenses, inspection fees, unexpended balances from existing city and county funds, etc., and would realize cost from inspections, code enforcement, and administration of the commission. Oversight assumes that in a given year, cost of administration of the commission would not exceed revenues, therefore, Oversight will show fiscal impact to the Regional Taxicab Commission as \$0. The City and County would lose revenues from inspection fees, licenses,

ASSUMPTION (continued)

etc., however, they would realize savings from the costs of code or ordinance enforcement, inspections, regulation, and administration. Oversight assumes loss of revenue and savings would equal resulting in no fiscal impact to the City and County. This proposal does not mandate an appropriation from the City or County to the Regional Taxicab Commission.

SECTIONS- 238.500 to 238.552: Regional Transportation Development Districts

Oversight notes that these sections are identical to HB 1922 of this session. The following fiscal impact statements were submitted by the following entities:

Officials of the **Office of State Courts Administrator** stated there would be no fiscal impact on the State's Courts.

Officials of the **Department of Revenue** assume if Regional Transportation District boundaries are different than county lines, program change would be needed to MITS to create and maintain a "shape file" to define the boundaries of the district. It is estimated these changes will require 692 hours of programming at a total cost of \$23,085. The State Data Center cost to implement the proposed legislation will be \$4,503. Total cost would be \$27,588. **Because it is unknown what the district boundaries would be, or which form of financing would be adopted, toll road or sales tax, Oversight will show costs to DOR as \$0 or \$27,588.**

If a district were established, and the district's voter approved a sales tax, the DOR would retain a 1% collection fee which would be deposited in the State's General Revenue Fund. Income will be shown as \$0 or Unknown.

Officials of the **Missouri Department of Transportation** stated that this proposal prohibits their department from reducing funds to areas covered by a regional transportation district below the amount received in the year the district was created. This proposal also mandates the growth or reduction that would occur in the district area. Officials assume that the cumulation of the provisions removes the ability of the department to determine the best use of the available transportation funds to meet the needs of all the state. As the needs are met and the funds are then shifted to the next highest priority needs, funding levels would vary. Under this proposal the department would lose that flexibility which would in turn dramatically impact the department's ability to deliver the Long Range Transportation Plan. Officials assume an Unknown cost to the Mo DOT.

Oversight assumes that authority to make decisions concerning funding projects that are within a regional transportation district and funding levels for that district is lessened by this proposal, however, Oversight assumes there would be no fiscal impact. Certain projects outside of a district could be delayed due to the funding requirements of this

ASSUMPTION (continued)

proposal. Oversight assumes that any increase in funding for a transportation district would be offset by less available funds for other projects and would net to \$0.

Officials of the **State Auditor's Office** stated that they would have fiscal impact and the amount is indeterminable. Officials stated that even though they would be paid for any costs, they would still need monies appropriated to do the audits.

Oversight assumes that Section 238.550 requires that all costs of audits would be paid by the transportation district. Oversight assumes that a district would pay the cost of an audit, therefore, there would be no cost to the State Auditor.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
---	---------------------	---------	---------

GENERAL REVENUE FUND

Income to DOR

from 1% collection fee on sales tax (Chapter 238)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
--	----------------	----------------	----------------

Cost to DOR

from programming costs. (Chapter 238)	<u>\$0 or (\$27,588)</u>	<u>\$0</u>	<u>\$0</u>
--	--------------------------	------------	------------

ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	<u>\$0 to Unknown*</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
---	-----------------------------------	------------------------------	------------------------------

*** Oversight assumes that collection fees would be greater than programming costs.**

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
---	---------------------	---------	---------

ST. LOUIS CITY AND COUNTY

Savings - to City and County

loss of duties of taxicab administration, and regulation, code enforcement.	Unknown	Unknown	Unknown
--	---------	---------	---------

Loss of Revenue

from taxicab licensing, and inspection fees, unspent fund monies	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
---	------------------	------------------	------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
ESTIMATED NET EFFECT TO ST. LOUIS CITY AND COUNTY *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
* St. Louis City estimates an annual loss of revenue of approximately \$14,000.			
REGIONAL TAXICAB COMMISSION			
<u>Income</u> - Regional Taxicab Commission from licensing fees, inspection fees, unspent revenues, appropriations, etc.	Unknown	Unknown	Unknown
<u>Cost</u> - Regional Taxicab Commission taxicab regulation, inspection, and administration	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT TO REGIONAL TAXICAB COMMISSION	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
REGIONAL TRANSPORTATION DEVELOPMENT DISTRICT (CHAPTER 238)			
<u>Income</u> to Transportation District from sales tax, toll fees, bonds, etc.	Unknown	Unknown	Unknown
<u>Costs</u> to Transportation District from funding transportation projects	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT TO REGIONAL TRANSPORTATION DISTRICTS *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

*** Oversight assumes costs and income would net to \$0.**

FISCAL IMPACT - Small Business

Unless inspection fees, license fees, or code regulations would be greater than current fees and regulations under City and County ordinance, small businesses, (taxicab companies), could expect no fiscal impact.

Small businesses located within a Regional Transportation Development District, whose voters approved the imposition of a sales tax, could expect to be impacted to the extent that they would pay and administer the collection of the sales tax. (Chapter 238)

DESCRIPTION

This substitute creates a Regional Taxicab Commission that will exercise authority over a regional taxicab district consisting of St. Louis City and St. Louis County. The purposes of the commission are to improve the quality of taxicab service and to exercise authority over licensing, control, and regulation of the district. The commission is a public corporation acting in a governmental capacity.

The substitute specifies the composition of the commission, including the number of members, appointment of members, terms of service, the selection of a chairperson, and residency requirements for members. The substitute also specifies the duties and powers of the commission.

In addition, the substitute:

- (1) Requires the commission to establish a district-wide taxicab code which seeks to preserve code provisions similar to specified code sections of the St. Louis City Municipal Ordinances and St Louis County Ordinances;
- (2) Requires the commission to seek input from St. Louis City, St. Louis County, and the Lambert-St. Louis International Airport Authority for the purpose of providing taxicab service;
- (3) Requires the ordinances for St. Louis City and St. Louis County relating to taxicabs to remain in force for 120 days after the commission adopts its taxicab code, and then to be rescinded;
- (4) Requires the commission to develop procedures pertaining to licensure requirements and appeal procedures for licensure;
- (5) Requires the commission to establish an annual fee-generated budget;

DESCRIPTION continued

(6) Requires the commission to submit a written report before the second Monday in April of each year to the chief executives and governing bodies of St. Louis City and St. Louis County. The report is required to contain the operating conditions and fiscal management conditions of the commission; and

(7) Requires the chief executives of St. Louis City and St. Louis County, before the end of the first fiscal year of the commission, to appoint one or more certified public accountants who will conduct an annual examination of the commission's books, papers, documents, accounts, and vouchers. The commission is required to assist the certified public accountants in the performance of their duties.

This bill authorizes the formation of Regional Transportation Development Districts to fund, promote, plan, design, construct, improve, maintain, and operate transportation projects or assist with these activities. (Chapter 238)

To place a proposal to create a regional transportation development district on the ballot, a petition must be filed by at least 50 registered voters of a county or the City of St. Louis in the circuit court within the proposed district. The governing body of any county or the City of St. Louis may also pass an ordinance allowing voters to decide upon creation of a district. Provisions for public notice and voter approval are spelled out in the bill. If the question fails, it cannot be considered again for two years. Upon voter approval, a district board of directors must be elected. The board must appoint an executive director, district secretary, treasurer, and other officers or employees as necessary.

A district will have the power to contract and incur liabilities; purchase, lease, or lease-purchase property; borrow money; issue bonds; sue and be sued; set compensation of employees and contractors; and collect and disburse funds.

The bill also contains language dealing with the following:

- (1) District taxing ability;
- (2) Cost recovery of filing and defending the petition;
- (3) Quorum for a board of directors;
- (4) Contracting ability with the Highways and Transportation Commission and local transportation authorities;

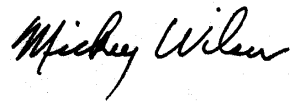
DESCRIPTION continued

- (5) Condemnation process;
- (6) Law enforcement on district property;
- (7) District audit requirements; and
- (8) Abolishment procedures for districts.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Auditor
Office of State Courts Administrator
Missouri Department of Transportation
Department of Revenue
St. Louis Airport Authority
Director of Administration- St. Louis County
City of St. Louis



Mickey Wilson, CPA
Acting Director
April 30, 2002